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7 *Attorneys for the State of Oregon by and through the*
8 *Oregon Investment Council on behalf of each of the*
9 *Oregon Public Employees Retirement Fund, Common*
10 *School Fund, Oregon Short Term Fund and Industrial*
11 *Accident Fund.*

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13 **UNITED STATES BANKRUPTCY COURT**
14
15 **NORTHERN DISTRICT OF CALIFORNIA**
16
17 **SAN FRANCISCO**

18 **In re**

Case No. 19-30088 (DM)

19 **PG&E CORPORATION**

Chapter 11

20 **-and-**

(Lead Case) (Jointly Administered)

21 **PACIFIC GAS AND ELECTRIC**
22 **COMPANY,**

**JOINDER AND OPPOSITION TO THE
REORGANIZED DEBTORS' MOTION
FOR ENTRY OF AN ORDER
FURTHER EXTENDING DEADLINE
TO OBJECT TO CLAIMS AND FOR
RELATED RELIEF
[ECF No. 11014]**

23 **Debtors.**

24 ☐ Affects PG&E Corporation

Hearing Date: November 15, 2022
Time: 10:00 a.m. (PT)

25 ☐ Affects Pacific Gas and Electric Company

Place: (Telephonic or Video Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

26 ☒ Affects both Debtors

27 ** All papers shall be filed in the Lead*
28 *Case, No. 19-30088 (DM)*

1 The State of Oregon by and through the Oregon Investment Council on behalf of each of
2 the Oregon Public Employees Retirement Fund, Common School Fund, Oregon Short Term Fund
3 and Industrial Accident Fund (“**Oregon**”), prepetition holders of the Reorganized Debtors’ publicly
4 traded debt and equity securities, through the undersigned counsel, submits this joinder and
5 opposition (the “**Joinder**”) to the *Motion for Entry of an Order Further Extending Deadline for the*
6 *Reorganized Debtors to Object to Claims and for Related Relief* [ECF No. 13122] (the “**Motion to**
7 **Extend**”). This Joinder joins the *Kingstown Claimants’ Objection to Reorganized Debtors’ Fifth*
8 *Extension Motion* [ECF No. 13163] (the “**Kingstown Objection**”) as well as *Chevron’s Objection*
9 *with Respect to the Reorganized Debtors’ Motion for Entry of an Order Further Extending*
10 *Deadline for the Reorganized Debtors to Object to Claims and for Related Relief and Joinder to*
11 *the Kingstown Claimants’ Objection* [ECF No. 13165] (the “**Chevron Objection**” and together
12 with the Kingstown Objection, the “**Objections**”).

13 **BACKGROUND**

14 1. On January 29, 2019 (the “**Petition Date**”), PG&E Corporation (“**HoldCo**”) and
15 Pacific Gas and Electric Company (“**Utility**”, and together with HoldCo, the “**Reorganized**
16 **Debtors**”) commenced voluntary cases for relief under chapter 11 of the Bankruptcy Code in the
17 United States Bankruptcy Court for the Northern District of California.

18 2. On February 27, 2020, the Court entered an order extending the claims Bar Date to
19 April 16, 2020 (the “**Extended Securities Bar Date**”) to permit claimants (the “**Securities**
20 **Claimants**,” and their claims, the “**Securities Claims**”) that purchased or acquired the
21 Reorganized Debtors’ publicly held debt and equity securities during the period of April 29, 2015
22 to November 15, 2018 (the “**Securities Claim Period**”) to assert claims against the Reorganized
23 Debtors for rescission or damages arising out of their trading in those securities [Docket No. 5943]
24 (the “**Extended Securities Bar Date Order**”).

25 3. On April 16, 2020, Oregon timely filed six Recission or Damages Proof of Claim
26 Forms on account of certain of its represented funds’ prepetition holdings of the Reorganized
27 Debtors’ debt and equity securities – Claim Nos. 101073, 100806, 100930, 100931, 102005, and
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1 101850 (collectively, the “**Oregon Securities Claims**”) -- seeking a total of no less than
2 \$62,874,446.00 in damages.

3 4. The Debtors’ chapter 11 plan (as amended and/or modified, the “**Plan**”) was
4 confirmed by the Court on June 20, 2020. In pertinent part, the Plan included three classes of the
5 Debtors’ subordinated securities claims: Class 9A – HoldCo Subordinated Debt Claims; Class
6 10A-II – HoldCo Recission or Damages Claims; and Class 10B – Utility Subordinated Debt
7 Claims. *See* ECF No. 8048 at §§ 4.12, 4.14, 4.32. Pursuant to the Plan, debt securities claims in
8 Classes 9A and 10B are unimpaired and entitled to receive cash in an amount equal to their allowed
9 claims. *Id.* Equity-based Securities Claims (Class 10A-II) are impaired and are to receive shares
10 of New HoldCo common stock according to a formula contained in the Plan. *Id.* at §§ 1.109, 4.14.

11 5. On September 1, 2020, the Reorganized Debtors filed a *Motion to Approve*
12 *Securities ADR and Related Procedures for Resolving Subordinated Securities Claims*, seeking to
13 establish additional procedures for resolving Securities Claims (the “**ADR Procedures**”) which
14 the Debtors specifically “designed to facilitate prompt settlements with individual claimants.” *See*
15 ECF No. 8964 at 3-4; *see also id.* at 18 (“[A]pproval of the Securities ADR Procedures here will
16 promote the expeditious resolution of the Subordinated Securities Claims...”) Under the ADR
17 Procedures, claimants who had previously timely filed proofs of claim against the Debtors were
18 required to submit additional information regarding their trading activities to the Reorganized
19 Debtors through supplemental proof of claim forms (the “**Trading Information Request**
20 **Forms**”). *Id.* The ADR Procedures provided for the Debtors to then submit individual settlement
21 offers to claimants and/or proceed by mandatory non-binding mediation. *Id.* at 2. The Court
22 approved the ADR Procedures by order dated January 25, 2021. ECF No. 10015.

23 6. The Reorganized Debtors have not made any offers of settlement or submitted the
24 Oregon Securities Claims for mediation.

25 7. Pursuant to the Court’s *Order Further Extending Deadline for the Reorganized*
26 *Debtors to Object to Claims and for Related Relief* issued on May 19, 2022, the Reorganized
27 Debtors’ current deadline to object to claims, including the Securities Claims, expires on
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1 December 19, 2022. *See* ECF No. 12432. After obtaining four prior six-month extensions of the
2 Objection Deadline, the Reorganized Debtors now seek to extend the deadline by an additional
3 two-hundred and seventy (270) days, through and including September 15, 2023, without prejudice
4 to seeking further extensions thereof. If granted, the Motion to Extend would constitute the
5 Reorganized Debtors' fifth granted extension from their initial deadline to object to claims under
6 the Plan, which had been set at December 28, 2020.

7 **JOINDER AND OPPOSITION**

8 8. Oregon hereby supports and joins in the Kingstown Objection and the Chevron
9 Objection. For the reasons outlined in the Objections, which are adopted and incorporated by
10 reference herein, the extension sought by the Reorganized Debtors in the Motion to Extend is
11 unreasonably long, prejudicial to holders of Securities Claims, and should be denied.

12 9. While the Reorganized Debtors have emphasized their progress in resolving
13 General Claims (as defined in the Motion to Extend), the same is not true of Securities Claims.
14 More than 8,700 Securities Claims were filed against the Debtors. Unlike other creditors who
15 were paid on the effective date of the Plan or shortly thereafter, the Securities Claimants have been
16 forced to wait for their claims allowance process to begin so they can receive payment on account
17 of their claims. The Debtors had urged the Court's approval of the ADR Procedures on the grounds
18 that the procedures would promote the expeditious resolution of Securities Claims, but in actuality
19 have only used the ADR Procedures sparingly to resolve a small percentage of the outstanding
20 Securities Claims -- leaving over 6,900 claimants and billions of dollars in claims unresolved. The
21 Debtors have conceded that they unilaterally paused making settlement offers earlier this year. *See*
22 Motion to Extend at 10.

23 10. The Debtors now ask for another nine months of delay, not to see the ADR
24 Procedures to completion but in favor of a new tactic: private negotiations on a purported "global
25 resolution" between the Debtors and counsel for the class which this Court denied to certify and
26 which they themselves objected to. The Motion to Extend implies that only in the alternative
27 (presumably if global settlement discussions with class counsel fail) will the Debtors "aggressively
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1 pursue further individual settlements pursuant to the Settlement Claims Procedures.” See Motion
2 to Extend at 11. But the Reorganized Debtors have made no attempt to explain why a proposed
3 settlement with class counsel should supplant or otherwise stay their obligations under the ADR
4 Procedures, nor explained how a potential “global resolution” would benefit the thousands of
5 securities claimants that are presently bearing the risk of delay and market volatility.

6 11. The Reorganized Debtors have neither requested, nor shown cause, for any
7 modification or nullification of the ADR Procedures. Accordingly, having insisted on an
8 individual process that required many creditors to hire separate counsel and substantiate their
9 claims upon penalty of disallowance for missing even a single deadline, the Debtors should not be
10 permitted to reverse course and pursue a new strategy and, in the process, impose even further cost
11 and delay to a process that has taken far too long already. Any extension of the Reorganized
12 Debtors’ deadline for objecting to claims should be strictly limited, be conditioned on the
13 Reorganized Debtors’ issuance of settlement offers in earnest under the ADR Procedures, and be
14 issued with prejudice to the Reorganized Debtors’ ability to seek further extensions.

15 12. Oregon reserves all of its rights, claims, defenses, and remedies, including, without
16 limitation, the right to amend, modify, or supplement this Joinder under applicable law.

17 Dated: November 8, 2022

MORGAN, LEWIS & BOCKIUS LLP

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19 By: /s/ Melissa Y. Boey

20 Melissa Y. Boey (SBN 292276)
21 *Attorneys for the State of Oregon by and*
22 *through the Oregon Investment Council on*
23 *behalf of each of the Oregon Public Employees*
24 *Retirement Fund, Common School Fund,*
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